



June 2025

Iowa Jobs and Labor Force Update

May 2025

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Introduction

In May, Iowa's labor market reversed course, shedding 5,200 jobs after modest growth earlier in the year. Losses were broad-based, with eight of the state's eleven major sectors reporting declines. The largest losses occurred in education and health services (-1,300), financial activities (-1,200), and professional and business services (-1,200). Government employment gained the most—adding 1,000 jobs, 800 of which came from local governments. Adding to the month's weakness, newly revised April figures also show the state added 700 fewer jobs than previously reported. The trade, transportation, and utilities sector contributed most to this downward revision (-1,100). Job growth momentum also remains weak. From December 2024 to May 2025, the private sector has added just 100 jobs, while total nonfarm employment is up only 500. This makes the current year's cumulative employment growth the lowest of any post-pandemic year to date.

Despite these setbacks, Iowa's labor market remains relatively competitive. The unemployment rate rose 0.1% to 3.6%, ranking 19th lowest nationally—a drop of two spots from last month. The labor force participation rate climbed 0.1%, reaching 67.3% in May, and holds steady as the 8th-highest in the country.

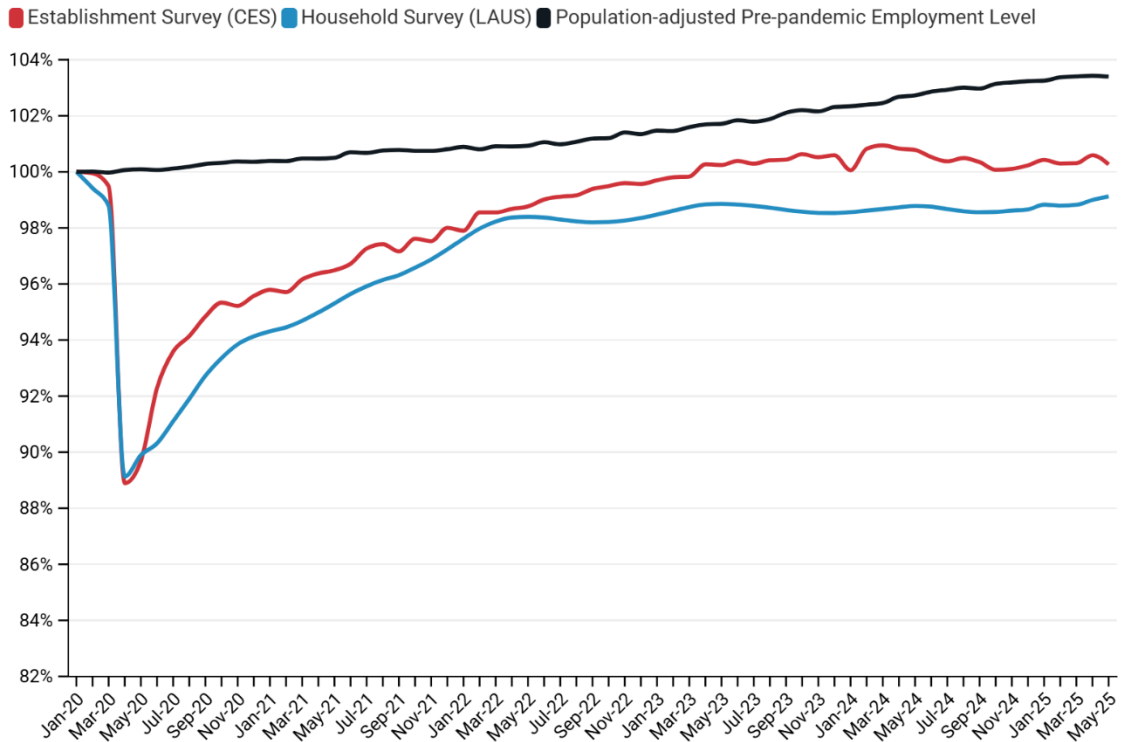
Key Findings—Iowa May 2025 Employment Data

- **In May, Iowa lost 5,200 jobs. 8 of 11 major sectors contributed to this loss.**
 - The education and health services sector lost 1,300 jobs. The next largest loss was financial activities, and professional and business services both at 1,200 jobs lost.
 - Government saw the largest monthly increase, gaining 1,000 jobs. Of these government jobs, local governments contributed to 800 new jobs.
- **Revisions indicate April performed worse than initially expected.**
 - State Revisions: The state reported 700 fewer jobs in April 2025 compared to pre-revised April 2025 data.
 - Industry Revisions: Trade, transportation, and utilities (-1,100) contributed most to the downward revision.
- **Iowa has the 19th lowest unemployment rate in the nation, down two from last month.**
 - Unemployment: Iowa's unemployment was 3.6% in May, up 0.1% from last month.
- **Iowa ranks 8th highest in labor force participation, unchanged from last month.**
 - LFPR: Iowa's LFPR was 67.3% in May, up 0.1% from last month.
- **So far, from December '24 to May '25, the private sector has gained 100 jobs.**
 - Total nonfarm employment has gained 500 jobs in this period. **So far, cumulative growth in nonfarm employment is the lowest of all post-pandemic years.**

Establishment vs. Household Survey

- According to both the employment figures from the BLS survey of establishments (CES) and the number of people employed from the BLS survey of households (LAUS), **Iowa has yet to recover to a pre-pandemic employment-to-population ratio.**
- Based on the **establishment survey**, employment fell by 5,200 or 0.33%.
- Based on the **household survey**, employment grew by 2,095 jobs or 0.13%.

Employment Levels in Iowa since January 2020

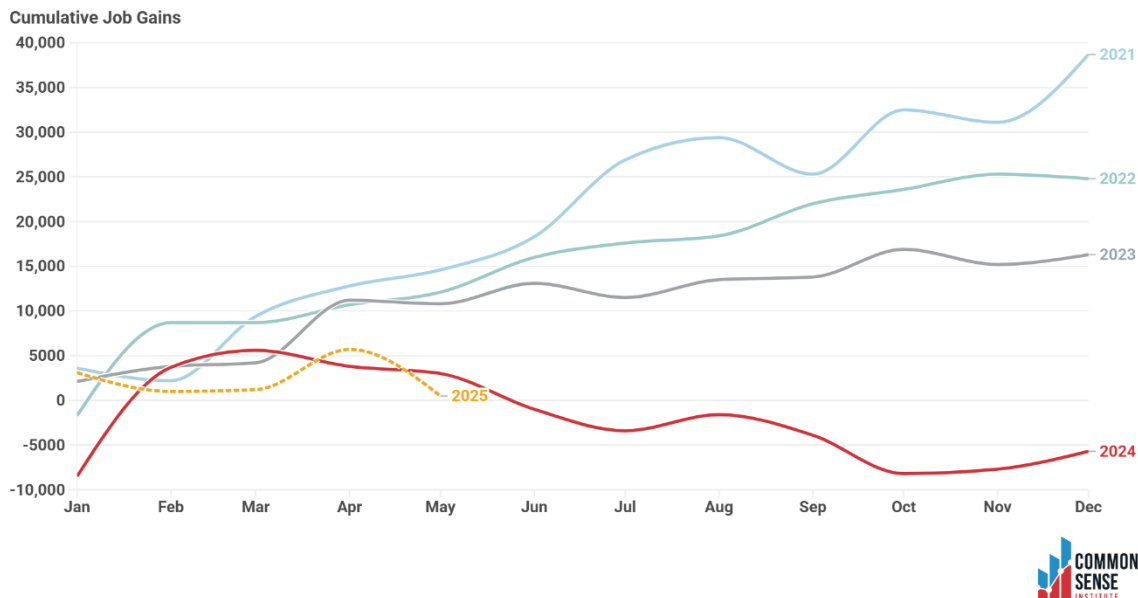


Revisions

- **United States** – In May, the BLS revised April 2025 seasonally adjusted total nonfarm employment nationally downward by 23,100 (0.02%).
- **Iowa** – In May, the BLS revised April 2025 seasonally adjusted total nonfarm employment in Iowa downward by 700 (0.04%).
- **Iowa by Sector** – In May, the BLS revised April 2025 seasonally adjusted total nonfarm employment for the following major sectors:
 - Trade, transportation, and utilities downward by 1,300 jobs.
 - Education and health services, and manufacturing both downward by 400 jobs.
 - Professional and business services, and government downward by 200 jobs.
 - Mining and logging downward by 100 jobs.
 - Construction upward by 1,500 jobs.
 - Leisure and hospitality, and information both upward by 200 jobs.

Cumulative Jobs Added by Year - Iowa

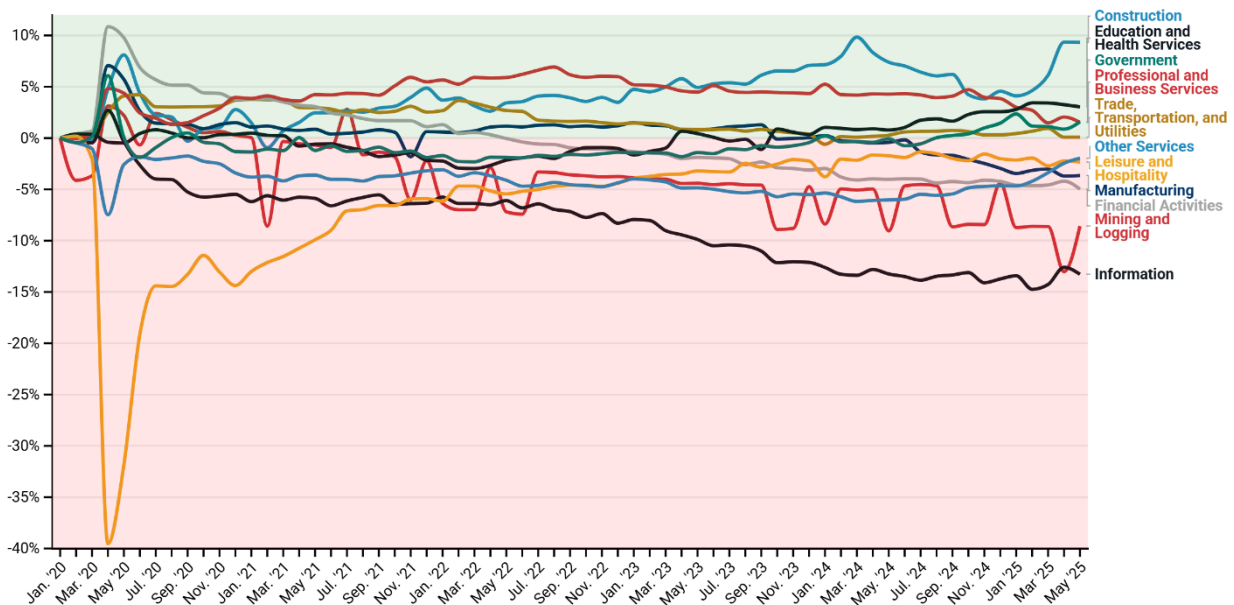
Iowa cumulative employment growth in 2025 continues to be the lowest of all post-pandemic years. From December 2024 to May 2025, employment has grown by only 500 jobs.



A Deeper Dive into Iowa Industries (BLS CES Survey)

- Based on the establishment survey, the net decline of 5,200 jobs in May was driven by net job losses in 8 of 11 major sectors.
 - Education and health services lost 1,300 jobs (-0.53%).
 - Professional and business services (-0.84%), financial activities (-1.13%) both lost 1,200 jobs.
 - Trade, transportation, and utilities lost 1,000 jobs (-0.32%).
 - Manufacturing (-0.28%), and leisure and hospitality (-0.42%) lost 600 jobs.
 - Construction lost 300 jobs (-0.35%).
 - Information lost 200 jobs (-1.10%).
- Two sectors saw a net gain in jobs from April to May.
 - Other services (0.17%) and mining and logging (4.76%) both gained 100 jobs.
 - Government gained 1,000 jobs (0.37%).
- So far, from December '24 to May '25, the private sector has gained 100 jobs.
 - Total nonfarm employment, which includes government employment, has gained 500 jobs in this same period. **So far, this cumulative growth in nonfarm employment is the lowest of all post-pandemic years.**

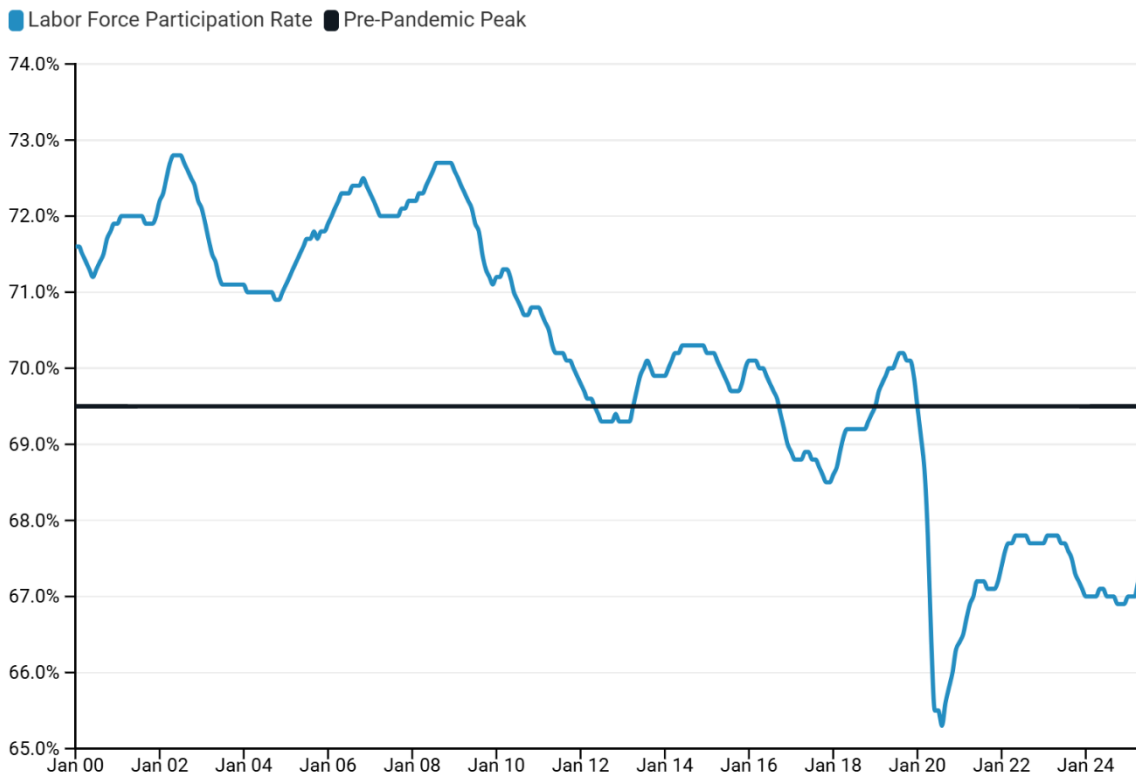
Changing Industry Shares of Total Iowa Employment since January 2020



Iowa Labor Force Update

- In May, Iowa's LFPR grew 0.1% to 67.3%, 2.2% below the pre-pandemic LFPR of 69.5% in January 2020.
 - Iowa ranked 8th highest in labor force participation among 50 states, unchanged from last month.
- Iowa's unemployment rate in May grew by 0.1% to 3.6%.
 - Iowa ranked 19th lowest in unemployment rate among all 50 states, down two spots from last month.

Labor Force Participation Rate in Iowa Since 2000



Data Sources

The data in this report are compiled from monthly and annual data released by the U.S. Bureau of Labor Statistics (BLS), including data from the Current Employment Statistics (CES) survey and the Local Area Unemployment Statistics (LAUS) Survey. Some data are sourced directly from BLS and others are retrieved from FRED.